



*United States Attorney
Southern District of New York*

FOR IMMEDIATE RELEASE
AUGUST 10, 2005

CONTACT: U.S. ATTORNEY'S OFFICE
HERBERT HADAD, MEGAN GAFFNEY
HEATHER TASKER
PUBLIC INFORMATION OFFICE
212) 637-2600

**AUDITOR FOR FREIGHT CARRIER INDUSTRY PLEADS GUILTY
IN FEDERAL COURT TO CONSPIRACY TO COMMIT MAIL FRAUD**

DAVID N. KELLEY, the United States Attorney for the Southern District of New York, announced that KENNETH MILLER pled guilty today in White Plains federal court to a one-count Information that charged him with conspiracy to commit mail fraud.

As alleged in the Information, between April 2000 and October 2000, MILLER was the President and CEO of Tadmis, Inc., a business located in Bohemia, New York, that acted as the auditor and payer of Tadmis' clients' bills to hundreds of freight carriers across the United States. Many large companies, which ship their products across the United States and elsewhere, use the services of companies such as Tadmis to assist with keeping track of, and paying, the hundreds or thousands of bills submitted by numerous freight carriers which transport the companies' products in commerce.

Among the services offered by Tadmis to its

clients were: (1) freight audit services, in which, in large part to prevent duplication of freight invoices, Tadmis audited freight bills that were submitted by carriers; (2) freight payment services, in which Tadmis compiled and paid freight bills on behalf of their clients; and (3) data retention services, in which Tadmis retained, for a period of years, payment data to prevent duplicate billing by freight carriers and to monitor rate charges.

As alleged in the Information, beginning in approximately June 2000, MILLER caused Tadmis to include numerous duplicate freight carrier bills in new requests for payment to its clients. As MILLER knew, such requests for payment included bills for work performed by freight carriers that had already been billed for, and paid in full by, Tadmis' clients.

The Information also specified that, beginning in approximately April 2000, MILLER caused Tadmis to not pay numerous freight bills to its clients' freight carriers despite being fully funded by its clients to make those payments. As MILLER knew, while he continued to cause his clients to be billed for all freight bills received, Tadmis did not forward payment to all of the freight carriers even though it had received payment in full from its clients to pay the freight carriers.

MILLER faces a statutory maximum of 5 years in prison and a maximum fine of \$250,000 or twice the gross gain or loss resulting from the offense when he is sentenced on November 14,

2005, at 9 A.M. before United States District Judge CHARLES L. BRIEANT.

Mr. KELLEY praised the investigative efforts of the Federal Bureau of Investigation.

Assistant United States Attorney DAN DORSKY is in charge of the prosecution.

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